



STRATEGIC PLANNING AND THE STATE BUDGET PROCESS



Budget Summary Table 1998-2000

	FY 1999	FY 2000
<u>Chapter 935 by Fund Type</u>	<u>\$ 383,999,149</u>	<u>\$ 406,949,489</u>
General	121,195,844	134,421,695
Special	106,736,111	111,546,465
Federal Trust	156,067,194	160,981,329
 <u>Percentage of Total Budget by Fund</u>		
General	31%	33%
Special	28%	27%
Federal Trust	41%	40%

Major Differences in State Funding Between FY 1999 and FY 2000

\$ 121,195,844	FY 1999 General Fund
7,941,880	Transfer of \$4 million from FY 1999 to FY 2000
1,000,000	Increase for AIDS Drugs in FY 2000
2,918,971	Net increases for specific VDH programs in FY 2000 relative to FY 1999
1,365,000	Increase in pass-through funding
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\$ 134,421,695	FY 2000 General Fund

RESOURCE TRENDS

FROM
FY 1994 TO PRESENT



Key issues affecting resources and their availability

- The Workforce Transition Act (WTA) drove big losses in funding (over \$5 million GF) and MEL (about 400 FTEs)
- Two large districts went independent - Fairfax and Richmond (consequently another 400 FTEs and \$10+ million in special funds were lost)
- A significant amount of the GF increases approved in recent years have been pass-throughs
- Much of the other GF growth has been earmarked for specific projects - e.g. DWSRF state match
- The two major funding sources for local health service delivery - programs 440 (Community Health Services) and 430 (State Health Services)- have experienced little or no net growth in state funding (i.e. general fund increases primarily result from compensation adjustments)
- Changes in the availability of other providers (e.g. Medallion programs, private home health agencies) have caused VDH's revenue earnings to decline

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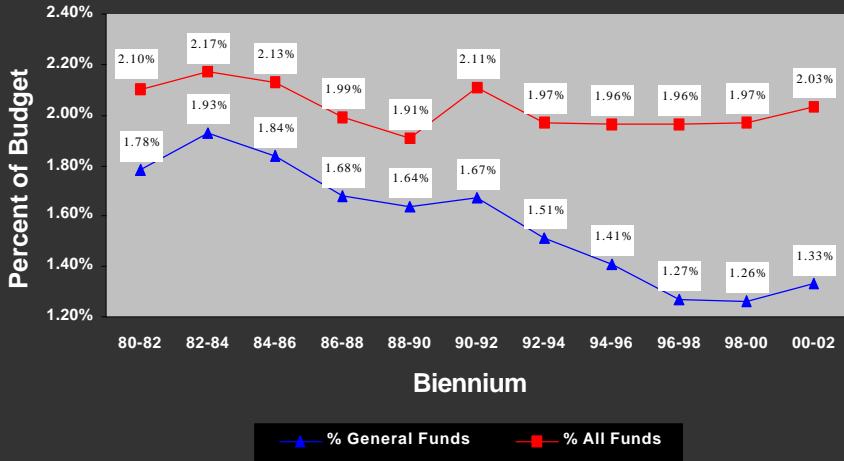
Changes in state funding and reasons for changes

- From the beginning of the 1994-96 biennium to the end of the 1998-2000 biennium VDH's general fund totals have increased by \$32,647,963, or 32% (this is a net increase)
 - ✓ State match funding for the Drinking Water State Revolving Fund (DWSRF) represents one-third of this increase
 - ✓ Other than DWSRF, VDH's other "winners" have been vaccines, HIV/AIDS drugs, facilities improvements, and selected women's health issues
 - ✓ More than a quarter of the increase comes from new funding for state employees' compensation
 - ✓ Half of the remaining increase, and a fifth of the total increase (\$6,424,628), is appropriated in VDH but passed through to outside organizations
- Absent the pass-through increases, VDH's net increase in GF over this time falls to 25% (compared to a statewide gain of 40%)

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VIRGINIA DEPARTMENT OF HEALTH APPROPRIATION HISTORY (Percentage of State Budget)



Changes in MEL and reasons for changes

- In FY 1994 VDH's MEL was 4607; in FY 2000 the MEL will be 3766
- This change of 841 over the three biennia represents an 18% decrease in the staffing ceiling
- Almost all of the reductions relate to the Workforce Transition Act and the conversion of two local health departments to independent status
- Staffs of the two independent health districts (about 1/3 of the total reduction) simply converted from state to local government employee status; therefore, the service capacities in Fairfax and Richmond were not adversely affected by the MEL reduction.

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The End

